

# EXHIBIT “C”

Ordinance No. 305

**AN ORDINANCE OF THE CITY OF EAST PALO ALTO ADDING  
CHAPTER 14.18 TO THE EAST PALO ALTO MUNICIPAL CODE  
RELATING TO CONVERSION OF MOBILEHOME PARKS**

The City Council of the City of East Palo Alto ordains and enacts as follows:

**Section 1.** Chapter 14.18 is added to the East Palo Alto Municipal Code to read in full as follows:

**"CHAPTER 14.18**

**CONVERSION OF MOBILEHOME PARKS**

**Sections:**

**14.18.010 Purpose and Intent**

**14.18.020 Definition**

**14.18.030 Conversion**

**14.18.010 Purpose and Intent**

- (A) A significant proportion of mobilehome residents are senior citizens, many of whom live on limited or fixed incomes. A majority of mobilehome residents in the City of East Palo Alto have significant personal and social ties to the community and virtually all mobilehome owners have made a substantial financial investment in their mobilehomes. Mobilehome owners in the City of East Palo Alto elected to make this financial investment in part to secure certain social as well as economic benefits they enjoy in close, secure physical surroundings. In addition, the cost and risk of potential damage in moving mobilehomes is great as is the cost of preparing a new site and meeting the code requirements for reinstalling a mobilehome. Unlike other residents of the City of East Palo Alto who rent their dwelling units or even those who own their own homes, mobilehome owners cannot relocate easily within the City of East Palo Alto because of the scarcity of vacant mobilehome sites and/or cost of relocation. It is necessary that the provisions of the following sections be applied to mobilehome park subdivisions so that

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the potential adverse effects of a change in the form of ownership or use are prevented or minimized.

- (B) Furthermore, the protection offered by Chapter 14.04 of the East Palo Alto Municipal Code, is likely to be lost by a significant number of mobilehome park residents who are unable to afford to buy their mobilehome spaces.
- (C) The State Legislature has provided a basis for protecting mobilehome owners in the enactment of Government Code sections 66426, 66427, 66427.4, 66427.5 and 66428.1, as well as the Mobilehome Parks Act located in the Health and Safety Code section 18000 et. seq., and the Mobilehome Residency Law (MRL) found in the Civil Code section 798 et. seq. These legislative sections are the basis for all mobilehome and mobilehome park regulations within the State of California and will be the basis for this ordinance.
- (D) This ordinance addresses the need for standards and procedures pertaining to mobilehome park conversions to resident ownership pursuant to Government Code section 66427.5 and 66428.1 only.
- (E) In addition, this ordinance is intended to: implement state laws regarding the conversion of mobilehome parks to resident ownership; ensure that conversions to resident ownership are bona fide resident conversions in accordance with state law; maintain consistency with the housing goals and policies of the City's General Plan and Zoning Ordinance; and ensure the public health and safety in converted parks.
- (F) The Council finds that within the last few years, a growing number of mobilehome park owners in Northern California and around the state have been converting their parks to so-called resident owned condominiums or subdivisions. The conversion exempts the parks from local rent control. Non-purchasing low-income mobilehome owners, who can not afford to buy their space, may continue to rent their spaces under the State rent control law that limits annual rent increases. However, non-purchasing residents who are

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not low-income lose their local rent control protection and may have their rents raised to market levels over four years. Significant concerns exist about deferred maintenance of the infrastructure and interior of the mobilehome parks and the burden of future maintenance and expense that will become the responsibility of the park residents and homeowners' associations. Additionally, many mobilehome owners have made substantial investments in their homes. The physical removal of a mobilehome from a mobilehome park is problematic and can only be accomplished at substantial cost to the resident owners. There is also limited ability to find another location, which is now being exacerbated by parks in the greater Bay Area which are being converted from rentals to resident-owned.

A large number of people living in mobilehomes are elderly and/or live on fixed incomes. They expend a large portion of their income on rent and may not be able to afford other housing within the City. While some mobilehome parks may be converted to true resident-owned parks, it appears that some of the parks are being converted merely to circumvent local rent control, gentrify affordable housing and economically evict low-moderate income homeowners, many of whom cannot afford the asking prices for their spaces or condominium interests.

The City of East Palo Alto has received an application to convert an existing mobilehome park to resident ownership. There is no current ordinance in place that implements the mandatory provisions of Government Code sections 66427.5 and 66428.1. This urgency measure is necessary to preserve the public peace, health and safety of those citizens currently residing in the two mobilehome parks located throughout the City.

The following sections implement standards and procedures for changes in the ownership structure of a mobilehome park from a rental park to a resident-owned park, more commonly known as a conversion.

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#### 14.18.020 Definitions

The following terms used throughout this section are described and defined below and shall have the following meanings:

- (A) "Association". An entity comprising all parties who have a property interest resulting from ownership in the project. The entity exists for the purpose of management, maintenance, preservation, operation, and enforcement of entity adopted rules and regulations within the project.
- (B) "Common Area". The entire project, excepting all units therein or any parcels of land not owned in common.
- (C) "Conversion". The change in ownership structure of a mobilehome park from a rental park to resident ownership pursuant to Government Code sections 66427.5 and 66428.1.
- (D) "Homeowners Association". An organization of people who are mobilehome residents in a given mobilehome park whose major purpose concerns matters of common interest within the mobilehome park.
- (E) "Manufactured Home". A structure, transportable in one or more sections, which, in the traveling mode, is eight body feet or more in width, or 40 body feet or more in length, or, when erected on site, is 320 or more square feet, and which is built on a permanent chassis and designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and includes the plumbing, heating, air conditioning, and electrical systems contained therein; "Manufactured home" includes a mobilehome subject to the National Manufactured Housing Construction and Safety Act of 1974 (42 U.S.C., Sec. 5401, et seq.).
- (F) "Mobilehome". A structure that meets the requirements of section 18007 of the Health and Safety Code. "Mobilehome" does not include a commercial coach, as defined in

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section 18001.8, factory-built housing, as defined in section 19971, or a recreational vehicle, as defined in section 18010.

- (G) "Mobilehome Accessory Building or Structure". Includes, but is not limited to, any awning, portable, demountable, or permanent cabana, ramada, storage cabinet, carport, skirting, heater, cooler, fence, windbreak, or porch or other equipment established for the use of the occupant of the manufactured home or mobilehome.
- (H) "Mobilehome Owner". The person who has a tenancy in a mobilehome park under a rental agreement.
- (I) "Mobilehome Park". Any area or tract of land where two or more mobilehome lots are rented or leased or held out for rent or lease, to accommodate mobilehomes used for human habitation. The rental paid for any mobilehome shall be deemed to include rental for the lot it occupies.
- (J) "Mobilehome Resident". A mobilehome owner or mobilehome tenant.
- (K) "Mobilehome Tenant". A tenant, subtenant, lessee, or sub lessee, or any other person entitled to the use or occupancy of a mobilehome under a rental agreement, lease, or other expression of tenancy. Any notice to a mobilehome tenant required hereunder need be given to only one such tenant in the case of multiple tenants of any mobilehome.
- (L) "Project". The entire parcel of real property to be divided into common areas and lots for individual ownership or stock cooperative ownership including all structures thereon which are owned or controlled by the subdivider.
- (M) "Site Improvement". Any permanent improvement made to a mobilehome site that cannot be removed without injury either to itself or to the site, including but not limited to, paved patios and parking spaces, permanent decking, and mature landscaping.

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- (N) "Title 25". Title 25 of the California Code of Regulations relating to Housing and Community Development (HCD).
- (O) "Unit". The elements of a project which are not owned in common with other owners in the project or a mobilehome site in a conversion to resident ownership in which the owner has the right of exclusive occupancy.

#### 14.18.030 Conversion

This section implements California Government Code sections 66427.5 and 66428.1 for the standards and procedures to be followed for the conversion of an existing mobilehome park to resident ownership.

- (A) Application. - Applies to all Maps. All requests to subdivide a mobilehome park shall require submission of the following documents in addition to the general subdivision requirements located in the State Map Act and the City's subdivision regulations:
- 1) A Tentative Subdivision and Final Map or Parcel Map unless waived.
  - 2) A report on the impact of the conversion on the existing residents, known as a Tenant Impact Report or Conversion Impact Report.
  - 3) Resident Survey of Support pursuant to Government Code section 66427.5(d).
  - 4) Evidence of Agreement with a Homeowners' Association (HOA) for the Resident Survey and copies of all signed Resident Surveys.
  - 5) The current Permit to Operate for the project Mobilehome Park; current water pressure test, gas line test; and evidence of earthquake proof gas meter and utilities pedestal compliance.

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- 6) Copies of all Title 25 Inspection Reports for the previous three (3) years. If there has been no Title 25 Inspection within that time period then one must be obtained. Subdivider shall provide a list of all deficiencies found on inspection and evidence that all deficiencies have been corrected. In addition, written documentation from California Department of Housing and Community Development that the park complies with all applicable Title 25 requirements shall be provided.
  - 7) An engineering report on the type, size, current condition, adequacy and remaining useful life of common facilities located within the park, including but not limited to water systems, sanitary sewer, fire protection, storm water, streets, lighting, pools, playgrounds, and community buildings. The report shall be prepared by a registered civil or structural engineer or a licensed general engineering contractor.
  - 8) All legal documents confirming the legal status of the park, including but not limited to, documents (i) prepared for and defining the powers and duties of the proposed homeowner's association, including articles of incorporation, by-laws, and conditions, covenants and restrictions; and (ii) a general title report.
- (B) Map Waiver. Pursuant to Government Code section 66428.1(c), the City shall provide an application for waiver, when at least two-thirds of the owners of mobilehomes who are tenants in the mobilehome park sign a petition indicating their intent to purchase the mobilehome park for purposes of converting it to resident ownership, and a field survey is performed, such that the requirement for a parcel map or a tentative and final map shall be waived unless any of the following conditions exist:
- 1) There are design or improvement requirements necessitated by significant health or safety concerns.



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- 2) The City determines that there is an exterior boundary discrepancy that requires recordation of a new parcel or tentative and final map.
- 3) The existing parcels which exist prior to the proposed conversion were not created by a recorded parcel or final map.
- 4) The conversion would result in the creation of more condominium units or interests than the number of tenant lots or spaces that exist prior to conversion.

The waiver application shall be approved or denied within fifty (50) days after such application is deemed complete. If no such waiver applies, or the waiver is not approved, then a Tentative Subdivision and Final Map or Parcel Map for mobilehome park conversion shall be required.

- (C) Tentative Subdivision and Final Map or Parcel Map for Mobilehome Park Conversion. The tentative map shall contain all the information required on a tentative map for any subdivision, subject to the following alterations and additions:

- 1) In lieu of the contour lines normally required on a tentative map, sufficient elevations of the existing ground so that average slope of the ground can be determined at a minimum of two foot intervals, where the slope is less than 50 percent and 10 foot intervals where the slope is greater than 50 percent.
- 2) Locations of existing permanent buildings, swimming pools, and recreational areas.
- 3) A parcel map shall be required for all projects which contain less than 5 parcels and do not create more condominium units or interests than the number of tenant lots or spaces that exist prior to conversion. If additional interests are created or if the project contains more than 5 parcels a Tentative and Final map shall be required.

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The number of condominium units or interests to be created shall not determine the type of map required unless additional condominium units or interests are created over and above the number of tenant lots or spaces that exist prior to conversion.

- (D) Report on the Impact of the Conversion on Existing Residents. A report on the impact of the conversion upon the residents of the mobilehome park to be converted shall be submitted at the time of filing the application for conversion. This report must include all information required by state law and this chapter, including:
- 1) A description of the property, including the number of mobilehomes that are owner-occupied and the number of mobilehomes that are rented. For rented mobilehomes, the nature of the tenancy (e.g., yearly lease or month-to-month) and the name and address of the lessor.
  - 2) The rental rate history for each space for each of the previous five years.
  - 3) A spreadsheet for the statutory rent increase maximums for lower income households as set forth in Government Code section 66427.5(f)(2).
  - 4) The monthly vacancy rate for each month during the preceding two years.
  - 5) The components of existing resident households including family size, length of residence, age of residents, estimated household income and whether receiving government rent subsidies.
  - 6) The availability of mobilehome spaces within the City limits including the current space rent charged for the space, the amenities offered, and any restrictions on the type or age of the mobilehome that may occupy the space.

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- 7) An analysis of moving an existing mobilehome to another site that shall include, but not be limited to, the availability of other sites, the total costs of relocation to a new location, and the likelihood of an existing mobilehome being accepted at other sites.
  - 8) In the event the number of available mobilehome spaces within the City is insufficient to accommodate all the residents of the mobilehome park, the report shall include a statement of the availability and cost of any non-mobilehome housing alternatives located within the City. The report shall also include a description of all available mobilehome spaces within thirty (30) miles of the project, the current space rent charged, the amenities offered, whether rent control is in effect, and any restrictions on the type or age of the mobilehome that may occupy the space.
  - 9) A ~~market~~ rent survey or appraisal in accordance with nationally recognized professional standards as set forth in Government Code section 66427.5(f).
- (E) Survey of Support of Residents. A survey of support of the residents of the mobilehome park for the proposed conversion that meets the requirements of Government Code section 66427.5(d) shall be submitted at the time of filing the application for conversion. The survey shall be conducted in accordance with an agreement between the subdivider and the homeowners association if such association exists. The homeowners association must be independent of the subdivider or mobilehome park owner. In the event there is more than one homeowners association, the agreement shall be with the one having the greater number of members. The survey shall be obtained pursuant to a written ballot and shall be conducted so that each occupied mobilehome space has one vote. Results of the survey shall be considered as part of the subdivision map hearing.

Evidence of the agreement between the subdivider and the homeowners association must be submitted with the application. If there is no written agreement, then the subdivider shall

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provide signed affidavits, under penalty of perjury, from the subdivider or the subdivider's representative and from two officers of the association setting forth the details of the agreement.

The survey of support of residents may be submitted subsequent to the filing of the application but at least 30 days prior to the initial hearing, if agreed to in writing by the subdivider and homeowners association.

(F) **Avoidance of Economic Displacement.** The subdivider shall avoid any economic displacement of any nonpurchasing resident by the following:

- 1) **Non-Lower Income Households.** As to nonpurchasing residents who are not lower income households, as defined in section 58079.5 of the Health and Safety Code, the monthly rent, including any applicable fees or charges for use of any preconversion amenities, may increase from the preconversion rent to market levels, in equal annual increases over a four-year period, as defined in an appraisal conducted in accordance with nationally recognized professional appraisal standards.
- 2) **Lower Income Households.** As to nonpurchasing residents who are lower income households, as defined in section 50079.5 of the Health and Safety Code, the monthly rent, including any applicable fees or charges for use of any preconversion amenities, may increase from the preconversion rent by an amount equal to the average monthly increase in rent in the four years immediately preceding the conversion, except that in no event shall the monthly rent be increased by an amount greater than the average monthly percentage increase in the Consumer Price Index for the most recently reported period.

(G) **Association Conditions, Covenants, and Restrictions.** All residential subdivisions of a mobilehome park shall require the establishment of an association or corporation for the purpose of managing and maintaining the facilities, improvements, and structures within the common area. To formalize the obligations of the association, conditions, covenants,

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and restrictions (CC&Rs) shall be required. The CC&Rs shall state the City has the right, but not the obligation, to abate public nuisance conditions in the common area if the association or corporation fails to do so, and to assess the cost to the association, corporation, or individual lot owners. To accomplish this, the CC&Rs shall contain a statement with the appropriate language changes clarifying the form of ownership.

Evidence of compliance with the above described requirements shall be submitted to the City for approval by the Planning Manager and City Attorney prior to the approval of a final map or parcel map.

(H) Findings. No tentative or parcel map for the subdivision of a mobilehome park shall be approved unless the findings required by the Subdivision Map Act and the following findings are made:

- 1) The conversion is consistent with the housing goals and policies of the City of East Palo Alto General Plan and Zoning Ordinance, and any applicable Specific or Area Plan.
- 2) The conversion impact report and resident survey of support are adequate, and that all of the requirements of Government Code section 66427.5 have been met.
- 3) The subdivider has provided a complete and current Title 25 inspection report with written documentation from the California Department of Housing and Community Development that all deficiencies and/or violations have been corrected.
- 4) The project complies with all applicable Federal, State and City laws, regulations and codes.

Section 2. Environmental Determination. The Council finds that the adoption and implementation of this ordinance are exempt from the provisions of the California

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Environmental Quality Act in that the Council finds there is no possibility that the implementation of this ordinance may have significant effects on the environment.

**Section 3. Severability.** If any section, subsection, sentence, clause, phrase or word of this ordinance is for any reason held to be invalid and/or unconstitutional by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance.

**Section 4. Effective Date.**

This Ordinance shall be in full force and effect thirty days after its passage and adoption.

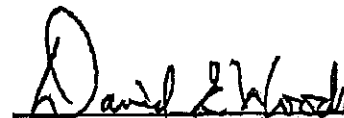
**Section 5. Publication.**

This ordinance shall be published and/or posted as required by law.

\* \* \*

**PASSED AND ADOPTED** by the City Council of the City of East Palo Alto this 17th day of July, 2007 by the following vote:


**AYES:** Abrica, Rutherford, Foster  
**NOES:** Evans  
**ABSTAIN:** 0  
**ABSENT:** Woods

  
David Woods, Mayor

**ATTEST:**

  
Deputy City Clerk

**APPROVED AS TO FORM:**

  
City Attorney